

# Corporate Governance

What's Next?

Avendth Tilakdari

09 April 2008



# The Current Landscape



- Statutory basis vs. principles basis “Comply or else” vs. “Comply or explain”
- The impact of “comply or explain” on enterprise
- Are today’s capitalists “traditional”?
- Hybrid governance regimes
- Globalisation
- Global warming
- Information is required to predict the future
- What aspects of corporate governance are likely to be impacted most?

# Sustainability

- Climate Change – Al Gore – “An inconvenient truth”
- The decent corporate citizen – the company in society
- The triple bottom line – social, economic and environmental
- Accounting values do not equal market capitalisation
- The “iceberg” effect
- The impact of non-financial matters in annual reports
- Does it affect our pockets?

# Risk Management

- Enterprise = assumption of risk for reward
- IT governance – the move from enabler to pervader
- Confidentiality, integrity, availability and authenticity of information produced
- Alternative dispute resolution – Why mediation?
- Capital adequacy – Basel II and Solvency II
- Mergers and acquisitions

# Internal Audit

- Compliance or risk based?
- Strategically focussed
- Integrated assurance – Why?
- An “opinion” on internal controls
- Challenging risk profiles
- Leveraged technology – observe, analyse and consult
- Assurance and consulting
- Seat at the top table?

# Accounting and Auditing and Business Rescue

- Is there a global “break-down” in accounting?
- Impact of legislation
- Reportable irregularities
- Audit Committee requirements
- Kinds of companies – “widely-held” vs. “closely-held”
- Business rescue – protect creditors but facilitate rescue
- “Business Judgment Rule”

# The End Game

- Board reporting on the positive and negative influence of the company – transparency
- Good governance and failure = acceptable
- Bad governance and failure = unacceptable
- Geared for future business
- Competitive, flexible and practical?
- Governance for business, not formality

# Thank You and Questions?